

STATE OF HAWAII

REQUEST FOR EXEMPTION FROM CHAPTER 103F, HRS

ADMINISTRATION
STATE PROCUREMENT OFFICE
STATE OF HAWAII

To: Chief Procurement Officer

From: Department of Health/Developmental Disabilities Division
Department/Division/Agency

Pursuant to § 103F-101(a)(4), HRS, and Chapter 3-141, HAR, the Department requests a procurement exemption to purchase the following:

Title and description of health and human service(s):
Developmental Disabilities Apartment Complexes Subsidy. HRS 333-F-2 requires the Department of Health (DOH), Developmental Disabilities Division (DDD), to develop, lead, administer, coordinate, monitor, evaluate and set direction for a comprehensive system of supports and services for persons with developmental disabilities (dd) or mental retardation (mr) within the limits of state or federal resources allocated or available. There are currently 48 individuals with dd/mr living in four (4) Developmental Disabilities apartment complexes operated by one agency. These individuals are able to live independently. The agency has indicated they are at risk for terminating services if funding is not provided. Act 168 was passed by the 2005 Legislature to provide additional funding for the apartment complexes to insure their availability for individuals with dd/mr.

Provider Name: Arc in Hawaii	Total Contract Funds: 190,000	Term of Contract: From: To: July 1, 2005 June 30, 2006
Provider Address: 3989 Diamond Head Road Honolulu, HI 96816	Contract Funds per Year (as applicable). \$190,000	

Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:

The Arc in Hawaii provides apartments for persons with developmental disabilities. The apartments are financed by loans from the Department of Housing and Urban Development which restricts tenants to persons with developmental disabilities. This service has been ongoing for years and provides housing for which individuals pay 30% of their income in neighborhoods that are accessible to transportation, supports and in which people with disabilities feel safe. Since most people with developmental disabilities only have Social Security Income of \$579, rent cannot exceed \$170/month for an apartment. The Arc continues to have a net loss in the operations of the apartments of \$190,000 per year. Act 168 which came into effect July 1, 2005, amended Chapter 321-15.9 H.R.S., to authorize the department to enter into contracts for additional payments to "operators of developmental disabilities apartment complexes for residential services on terms determined by the department of health" with the intent "to ensure that developmental disabilities residential service providers are adequately reimbursed for the residential services they provide." This request seeks to provide financial assistance for the Arc to continue to provide apartments for individuals with developmental disabilities who would otherwise be subject to risk of homelessness. Retroactive payment to July 1, 2005, is also requested to insure that the apartments can be maintained this FY. Due to the time needed for the Arc to prepare financial statements for FY05, development of a methodology for determining the additional payment and lengthy negotiation between the Arc and DDD on the allowance/disallowance of cost items, the agreements necessary to develop and submit this request was completed in November.

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Details of the process or procedure to be followed in selecting the service provider to ensure maximum fair and open competition as practicable:

Per Act 168, the additional payment for DD Apartment Complexes is available to any apartment complex that meets the definition in Chapter 321-15.9, H.R.S. which requires every unit in the complex to be dedicated for persons with developmental disabilities except for the resident manager's unit. At this time, only the 4 apartment complexes provided by the Arc meets this definition.

A description of the state agency's internal controls and approval requirements for the exempted procurement:
DDD has programmatic, administrative and fiscal staff to provide oversight of the exempted procurement.

A list of state agency personnel, by position title, who will be involved in the approval process and administration of the contract:

Case Management and Information Services Branch (CMISB) Chief
Developmental Disabilities Division PHAO
CMISB Contracts and Resource Development Section Supervisor
CMISB Fiscal Supervisor

Direct questions to (name & position):
Michael Tamanaha, Chief, CMISB

Phone number:
733-9172

e-mail address:
michael.tamanaha@doh.hawaii.gov

This exemption should be considered for list of exemptions attached to Chapter 3-141, HAR: Yes ☐ No ☐

I certify that the information provided above is to the best of my knowledge, true and correct.


Department Head Signature

DEC 21 2005

Date

Chiyome Leinaala Fukino, M.D.
Typed Name

Director of Health
Position Title

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Chief Procurement Officer's Comments:

Request is approved for after-the-fact payment of services already delivered since 7/1/05 and services to be delivered through 6/30/06. It is the responsibility of each purchasing agency to maintain proper oversight of its contracts. This includes the submission of requests for exemption, when appropriate, in a timely manner.

Please ensure adherence to applicable administrative requirements.

☒ Approved

☐ Denied



Chief Procurement Officer

12/22/05
Date

cc: Administrator
State Procurement Office